

Message Text

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NSAE-00 NSC-05 PA-01 SP-02 SS-15 ICA-11 OES-07
ACDA-12 TRSE-00 OMB-01 EB-08 DOE-15 SOE-02
AGRE-00 CEA-01 COME-00 FRB-03 INT-05 LAB-04
CTME-00 AID-05 STR-07 ITC-01 NRC-05 /142 W
-----110138 130107Z /64

R 121827Z APR 78
FM AMEMBASSY MADRID
TO SECSTATE WASHDC 4194
INFO JCS WASHDC
SECDEF WASHDC
USMISSION USNATO
USNMR SHAPE
USCINCEUR VAIHINGEN GER
USAFE RAMSTEIN GER
CINCUSNAVEUR LONDON ENG

C O N F I D E N T I A L SECTION 01 OF 03 MADRID 03922

E.O. 11652: GDS
TAGS: MPOL, MARR, ECON, TGEN, SCUL, SP, US
SUBJECT: U.S.-SPANISH COUNCIL, MEETING AT THE LEVEL OF
PERMANENT REPRESENTATIVES, APRIL 10, 1978

REF: MADRID 3791 (DTG 101658Z APR 78)

1. SUMMARY: THE U.S.-SPANISH COUNCIL MET APRIL 10 AT THE
LEVEL OF PERMANENT REPRESENTATIVES (UNDER SECRETARY SOLANO,
THE AMBASSADOR), WITH GENERAL HUYSER AND SPANISH AIR
FORCE CHIEF OF STAFF GENERAL ALFARO REPRESENTING THE
RESPECTIVE CHAIRMEN OF JOINT CHIEFS OF STAFF (LT. GEN.
GALARZA ON THE SPANISH SIDE). THE SPANISH DEFENSE MINISTRY
WAS REPRESENTED, FOR THE FIRST TIME, AT SENIOR (UNDER
SECRETARY) LEVEL. THE TWO AND ONE-HALF HOUR SESSION, HELD
IN A HIGHLY POSITIVE ATMOSPHERE, PRODUCED NO NEW ISSUES
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BUT RATHER HELPED TO PREPARE THE GROUND FOR THE EXPECTED
MINISTERIAL MEETING LATER THIS SPRING BY MEASURING THE
PROGRESS OR LACK OF IT ON SOME HARDY PERENNIALS.

2. MOST GRATIFYING WAS SPANISH RECOGNITION OF PROGRESS
TOWARD RESOLVING TECHNOLOGICAL ISSUES RELATED TO THE
TERRITORIAL COMMAND NET (TCN). THE SHARPEST SPANISH

COMMENTS WERE RESERVED FOR THE ABSENCE OF PROMISED U.S. DECISIONS ON ISSUES RELATING TO COUNTERVAILING DUTIES AND FISHERIES RAISED AT THE JANUARY JOINT ECONOMIC COMMITTEE MEETING IN WASHINGTON, AND SPANISH UNEASINESS WITH RESPECT TO OUR FUTURE BILATERAL RELATIONSHIP IN THE NUCLEAR FIELD. CONSIDERABLE ATTENTION WAS GIVEN TO THE WORK OF THE COMBINED MILITARY COORDINATION AND PLANNING STAFF, AND BOTH SIDES EXPRESSED SATISFACTION OVER THE RESULTS OF THE RECENT HIGH-LEVEL SEMINAR OF THE AD HOC COMMITTEE ON COORDINATION WITH NATO. A FAIRLY LENGTHY PRESS STATEMENT IS REPORTED IN THE REFTEL. THE BRIEFING BOOK PREPARED FOR THE MEETING HAS BEEN POUCHED TO EUR/WE, AS WILL BE THE MINUTES. END SUMMARY.

3. THIS FIRST MEETING OF THE COUNCIL SINCE THE LAST MINISTERIAL ON SEPTEMBER 30, 1977, CONSISTED LARGELY OF AN ORAL REVIEW OF PROGRESS ON A NUMBER OF CONCRETE ISSUES, MOST OF WHICH WERE RAISED BY THE SPANISH SIDE, AND WHICH SERVED AS A USEFUL PREVIEW OF WHAT MAY BE EXPECTED WHEN THE SECRETARY AND FOREIGN MINISTER OREJA NEXT MEET LATER IN THE SPRING. ON THE POSITIVE SIDE, PERHAPS MOST NOTABLE WAS THE SPANISH SIDE'S RECOGNITION OF THE VALUE OF RECENT HIGH-LEVEL MILITARY CONTACTS ON THE TERRITORIAL COMMAND NET, PARTICULARLY RELATING TO TECHNICAL DIFFERENCES, WHICH THE SPANISH SIDE SAID IT HOPES CAN BE RESOLVED RAPIDLY. (IT SEEMED WITHOUT ANY QUESTION THAT THE AIR HAS BEEN CONFIDENTIAL

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CLEARED SOMEWHAT BY RECENT U.S. EFFORTS.) ALSO QUITE POSITIVE WAS SPANISH COMMENTARY ON THE WORK OF THE AD HOC COMMITTEE ON COORDINATION WITH NATO. THE SPANISH SIDE PRAISED HIGHLY THE U.S. EFFORTS IN THE MARCH 9-10 HIGH-LEVEL SEMINAR, AND DIRECTOR GENERAL DURAN REITERATED HIS HOPES WITH RESPECT TO FURTHER MEETINGS OF THE COMMITTEE, WHICH WERE OUTLINED IN MADRID 3672 (DTG 061249Z APR 78), ADDING ONLY THAT HE HOPED A BRIEFING IN ADVANCE OF THE NATO SUMMIT MEETING COULD ALSO INCLUDE SOMETHING ON THE RESULTS OF THE DPC MINISTERIAL.

4. MORE TIME WAS DEVOTED BY THE COUNCIL TO THE COMBINED MILITARY COORDINATION AND PLANNING STAFF (CMCPS) THAN TO ANY OTHER ITEM OF BUSINESS. THE CO-DIRECTORS WERE ABLE TO REPORT CONSIDERABLE PROGRESS IN ANALYSIS OF THE THREAT TO THE AREA OF COMMON INTEREST AND IN PREPARATION OF CONTINGENCY PLANS RELATING TO AMPHIBIOUS WARFARE AND AIR DEFENSE, WHILE ALSO FORECASTING A RECOMMENDATION TO THE JOINT MILITARY COMMITTEE THAT A PLAN ON MARITIME DEFENSE BE PREPARED NEXT VICE THE EARLIER PLANNED EFFORT ON DEFENSE AGAINST UNCONVENTIONAL WARFARE. GENERAL HUYSER SOUGHT TO DEFLECT THE SPANISH CO-DIRECTOR'S REITERATION

OF GENERAL GALARZA'S KNOWN PREFERENCE FOR FOCUSING CMCPs
WORK MORE IMMEDIATELY ON A NET THREAT ASSESSMENT AND A
GENERAL DEFENSE PLAN FOR SPAIN. BOTH THE AMBASSADOR AND
GENERAL HUYSER UNDERLINED ALSO THE IMPORTANCE ATTACHED BY
THE U.S. SIDE TO RENOVATION OF THE COUNCIL BUILDING, NOW
OCCUPIED ONLY BY THE COMBINED STAFF, WITH RESPECT TO
WHICH SOLANO UNDERTOOK TO MAKE A FURTHER EFFORT TO OVERCOME
WHAT HE CALLED A PROBLEM ONLY OF BUREAUCRATIC SLOWNESS.
GENERAL HUYSER ALSO RENEWED THE OFFER TO RECEIVE A SPANISH
MILITARY LIAISON OFFICER AT EUROM. THE SPANISH
CO-DIRECTOR OF CMCPs SUGGESTED THAT CMCPs MIGHT USEFULLY
PREPARE AN ANNUAL COMBINED EXERCISE PLAN FOR REVIEW BY
NATIONAL STAFFS. (SUCH A PLAN WAS PREPARED AND SUBMITTED
TO GEN. GALARZA BY CMCPs IN JANUARY 1978 FOR THE FIRST
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CTME-00 AID-05 STR-07 ITC-01 NRC-05 /142 W
-----110177 130108Z /64

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TIME.) ALL IN ALL, THE DISCUSSION OF CMCPs BUSINESS

EVOKE CONSIDERABLE EVIDENCE OF SPANISH GOVERNMENT SUPPORT. HOWEVER, THERE WAS ACCOMPANYING EVIDENCE OF CONCERN ABOUT GIVING CMCP'S PUBLICITY IN SPAIN AT THIS TIME (THEY PREFERRED NOT TO SAY MUCH IN THE PRESS STATEMENT). THERE WAS ALSO FURTHER EVIDENCE OF GEN. GALARZA'S CONTINUED RELUCTANCE TO PROVIDE THE COMBINED STAFF DIRECT ACCESS TO THE SPANISH MILITARY SERVICES.

5. A SECURITY ASSISTANCE ASSESSMENT BY CHIEF JUSMG-MAAG WAS WELL RECEIVED. THE SENIOR SPANISH MILITARY REPRESENTATIVE (ALFARO) READ FOR THE RECORD A LENGTHY STATEMENT EXPLAINING THAT THE SPANISH AIR FORCE HAD OPTED FOR PURCHASE OF ADDITIONAL F-4C AIRCRAFT VICE THE LEASE OF F-4E'S PROVIDED FOR IN THE TREATY PRINCIPALLY BECAUSE THE F-4E'S OFFERED BY THE USAF WERE UNACCEPTABLE (A STATE-CONFIDENTIAL

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MENT PERHAPS MADE AT THIS TIME LARGELY FOR INTERNAL PURPOSES). THE U.S. SIDE OFFERED ENCOURAGING INFORMATION ON THE DELIVERY OF THE 4 F-4C'S AND 4RF-4C'S, AS WELL AS ON THE DELIVERY OF THE HARPOON MISSILE, AND REMINDED THE SPANISH SIDE OF THE NEED FOR AN EXCHANGE OF LETTERS REGARDING ARTICLE X, SUPPLEMENTARY AGREEMENT VII PRIOR TO THE DELIVERY OF F-4C'S. ALFARO ALSO EXPRESSED CONCERN ABOUT THE ABSENCE OF A U.S. NAVY RESPONSE TO THE SPANISH COUNTER OFFER OF LAST FALL WITH RESPECT TO SHIP TRANSFERS PROVIDED FOR IN THE TREATY.

6. OTHER ISSUES BESIDES TCN INVOLVING THE JOINT COMMITTEE FOR POLITICO-MILITARY ADMINISTRATIVE AFFAIRS:

(A) COMPLETION OF PROCEDURAL ANNEXES 11 AND 12 OF THE AGREEMENT IN IMPLEMENTATION (PETROLEUM PIPELINE FACILITIES): THE U.S. SIDE FORECAST THE NEED FOR AT LEAST MINOR CHANGES IN THE TEXTS.

(B) CO-PRODUCTION BY SPANISH NAVY - RELATED INDUSTRIES: THE SPANISH SIDE EXPRESSED RENEWED INTEREST IN RIGHTS FOR SPANISH INDUSTRY TO PRODUCE U.S.-DESIGNED ITEMS DESTINED FOR THE SPANISH FAST (GUIDED MISSILE) FRIGATE PROGRAM. THE SPANISH GOVERNMENT WILL BE PROVIDING MORE DETAILED INFORMATION AS A FOLLOW-UP TO THE NAVY-TO-NAVY DISCUSSIONS HELD IN WASHINGTON IN DECEMBER.

(C) THE FMS LOAN AGREEMENT: THE SPANISH SIDE EXPRESSED SATISFACTION WITH THE DRAFT AMENDMENT WORKED OUT IN WASHINGTON.

(D) CIRCULATION TAX: WITH RESPECT TO THIS HARDY PERENNIAL, SOLANO ASKED FOR "SOMETHING SMALL" BY WAY OF

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A "PRACTICAL" SOLUTION IN ORDER TO AVOID A LARGER POLITICAL PROBLEM IN THE ROTA AREA. THE AMBASSADOR UNDERLINED THE U.S. LEGAL POSITION AND NOTED THAT THE MAYOR OF ROTA'S GREATLY EXPANDED PROPOSAL FOR ANNUAL CONSTRUCTION ASSISTANCE FROM THE U.S. NAVY FACILITY AT ROTA HAD MADE MATTERS MORE COMPLICATED.

7. JOINT COMMITTEE ON SCIENTIFIC AND TECHNOLOGICAL COOPERATION. THE BREAKING OF THE ADMINISTRATIVE LOGJAM PREVENTING DISBURSEMENT OF FUNDS WAS NOTED FAVORABLY, WITH CO-CHAIRMAN BARROSO ADDING THE SUGGESTION THAT HE WOULD MUCH APPRECIATE A LARGER DELEGATION OF AUTHORITY FROM WASHINGTON TO HIS COUNTERPARTS IN EMBASSY MADRID ALONG THE LINES EMPLOYED IN THE CASE OF EDUCATIONAL AND CULTURAL COOPERATION. APPROVAL WAS EXPRESSED OF THE JOINT COMMITTEE DECISION TO DEVOTE INCREASED FUNDS TO POST-DOCTORAL AND TRAVEL GRANTS WHILE NOT ABANDONING OTHER IMPORTANT AREAS OF CONCENTRATION. SOLANO ALSO MADE A PITCH FOR PUTTING MEAT ON THE BONES OF THE TREATY PROVISION FOR "SPECIAL PROGRAMS."

8. WITH RESPECT TO THE JOINT COMMITTEE ON EDUCATIONAL AND CULTURAL AFFAIRS, LACK OF TIME PRECLUDED MORE THAN AN ALLUSION BY THE SPANISH SIDE TO ITS CONTINUING INTEREST IN AMENDING U.S. POLICY WITH RESPECT TO THE USE OF AMERICAN AIR CARRIERS AND THE RETURN TO THE U.S. TREASURY OF ANY ACCRUED INTEREST ON BANK DEPOSITS. THE COMMITTEE ALSO REPORTED A NEW AREA OF ACTIVITY IN ITS 1978 PROGRAM: THE DIFFUSION OF SPANISH CULTURE IN THE U.S.

9. JOINT ECONOMIC COMMITTEE (JEC). CO-CHAIRMAN CARLOS GAMIR RECALLED THAT AT THE JANUARY JEC MEETING THE SPANISH HAD BEEN TOLD THAT A DECISION ON REVISION OF SPECIALTY STEEL QUOTAS WOULD BE FORTHCOMING VERY SOON AND A DECISION ON MODIFYING COUNTERVAILING DUTIES WOULD BE MADE IN ABOUT 6 WEEKS. HE WAS PLEASED TO NOTE RECENT U.S. CONFIDENTIAL

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APPROVAL OF A SEPARATE QUOTA OF 3,165 TONS FOR THE IMPORTATION OF SPANISH STAINLESS STEEL BARS. BUT THE GOS

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-----110231 130107Z /64

R 121827Z APR 78

FM AMEMBASSY MADRID

TO SECSTATE WASHDC 4196

INFO JCS WASHDC

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HAD NOW BEEN WAITING 12 WEEKS FOR A DECISION ON COUNTER-
VAILING DUTIES. HE HOPED THE DELAY MEANT THAT THE U.S.
WILL RESPOND POSITIVELY. GAMIR ADDED PARENTHETICALLY
THAT THE MOST TROUBLESOME COUNTERVAILING DUTIES WERE ON
SPANISH EXPORTS (SHOES AND BOTTLED OLIVES) DEVELOPED
WITH THE TECHNOLOGY AND INVESTMENT OF AMERICAN COMPANIES.
WITH REGARD TO FISHERIES, GAMIR SAID THAT SPAIN WAS ALSO
STILL AWAITING A U.S. DECISION ON THE POSSIBILITY OF
ALLEVIATING THE PROBLEM RESULTING FROM LIMITS ON BY-CATCH.
HE DREW ATTENTION TO THE POLITICAL AND SOCIAL IMPACT IN
SPAIN OF ANYTHING EXTENDING THE GREAT PROBLEMS FACED BY
SPAIN'S FISHING INDUSTRY.

10. THE AMBASSADOR SAID THE U.S. EXPECTED TO BE IN A
POSITION TO RESPOND SOON TO SPAIN'S REQUEST ON COUNTER-
VAILING DUTIES. WE WOULD TAKE NOTE, HE SAID, OF SPAIN'S
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CONCERN ON THIS AND ON FISHING PROBLEMS WHICH, AS THE
SPANISH UNDERSTAND, ARE EXCEEDINGLY COMPLEX. THE
AMBASSADOR REMINDED THE SPANISH DELEGATION OF OUR DESIRE

TO IMPROVE THE BILATERAL DIALOGUE ON NORTH-SOUTH ECONOMIC ISSUES AND EXPRESSED THE HOPE SPAIN WOULD SOON SEND A REPRESENTATIVE TO WASHINGTON FOR AN IN-DEPTH EXCHANGE OF VIEWS. UNDER SECRETARY SOLANO SAID THIS WOULD BE DONE.

11. NUCLEAR ENERGY. MFA DIRECTOR GENERAL FOR TECHNICAL COOPERATION BARROSO MADE A STRONG STATEMENT FOR THE RECORD UNDERLINING SPANISH CONCERNS WITH REGARD TO OUR FUTURE RELATIONSHIP IN THE NUCLEAR FIELD. HE CONTRASTED U.S. INTEREST IN BRINGING THE 1974 BILATERAL AGREEMENT ON NUCLEAR COOPERATION INTO ACCORD WITH 1978 LEGISLATION WITH THE PROBLEMS FOR SPAIN IN UPSETTING AN AGREEMENT WHICH WAS EXPECTED TO LAST 40 YEARS AND ON THE BASIS OF WHICH SPAIN HAD LAUNCHED A PROGRAM OF LONG-TERM INVESTMENT IN NUCLEAR ENERGY INVOLVING MASSIVE PURCHASES FROM THE U.S. HE EMPHASIZED THAT SPAIN, BEING LIKE MOST OTHER EUROPEAN COUNTRIES POOR IN ENERGY RESOURCES, IS CONVINCED IT WILL HAVE TO TAKE ADVANTAGE AT SOME TIME OF REPROCESSING TECHNOLOGY. FOR THIS REASON, SPAIN'S BILATERAL DISCUSSIONS WITH THE U.S. WILL HAVE TO PROCEED HAND IN HAND WITH CONCLUSIONS REACHED IN THE INFCE. A BETTER UNDERSTANDING IS ALSO REQUIRED, HE CONCLUDED, ON HOW TO PROVIDE ADEQUATELY FOR FREEDOM OF RESEARCH IN THE NUCLEAR FIELD. THE AMBASSADOR SAID WE WOULD TAKE NOTE OF THE SPANISH OBSERVATIONS IN CONNECTION WITH OUR ONGOING BILATERAL NEGOTIATIONS.

12. WITH RESPECT TO THE NEXT MINISTERIAL SESSION OF THE COUNCIL, THERE WAS NO DISCUSSION BEYOND A VERY INFORMAL CONFIDENTIAL

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EXCHANGE, OUTSIDE OF THE MEETING, ON THE POSSIBILITIES OF FINDING A MUTUALLY CONVENIENT TIME IN THE SECOND WEEK IN JUNE. THROUGH HIS REPRESENTATIVE AT THIS MEETING, GENERAL GALARZA ASKED THAT PERSONAL GREETINGS BE EXTENDED TO GENERAL BROWN, TOGETHER WITH THE HOPE FOR HIS FULL RECOVERY. STABLER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 12 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978MADRID03922
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780158-0116
Format: TEL
From: MADRID
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780466/aaaacdye.tel
Line Count: 374
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 0a33d0b1-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 7
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 78 MADRID 3791
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 23 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2995640
Secure: OPEN
Status: NATIVE
Subject: U.S.-SPANISH COUNCIL, MEETING AT THE LEVEL OF PERMANENT REPRESENTATIVES, APRIL 10, 1978
TAGS: MPOL, MARR, ECON, TGEN, SCUL, SP, US
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/0a33d0b1-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014